

HOUSE GOP ECONOMIC RECOVERY ALTERNATIVE WILL CREATE 6.2 MILLION NEW AMERICAN JOBS

As the House prepares to vote on the congressional Democrats' trillion dollar spending package, more attention than ever is being paid to the bill's massive slate of slow-moving government spending. The non-partisan [Congressional Budget Office](#) yesterday confirmed that the House Democrats' massive spending plan would cost more than \$1.1 trillion, by far the largest spending package in American history, once the federal government's interest costs related to the legislation – \$347 billion between 2009 and 2019 – are taken into account. And editorial pages across the country – from the [Wall Street Journal](#) to the [Detroit News](#) to the [Las Vegas Review-Journal](#) – have taken aim this morning at this big government spending spree.

House Republicans are offering a better solution: an economic recovery plan that will create 6.2 million new American jobs over the next two years, according to a methodology used by President Obama's own nominee as Chair of the White House Council of Economic Advisors, Dr. Christina Romer. The Camp-Cantor alternative – crafted by House Ways & Means Committee ranking member Dave Camp (R-MI), Republican Whip Eric Cantor (R-VA), and the members of the House GOP Economic Recovery Working Group – will provide fast-acting tax relief to help the economy create jobs, as opposed to the congressional Democrats' bill, which is loaded with government spending on programs and projects. Here's a quick summary of the House GOP's Economic Recovery alternative:

- **Immediate Tax Relief for Working Families:** House Republicans propose reducing the lowest individual tax rates from 15 percent to 10 percent and from 10 percent to five percent. Under the proposal, a married couple filing jointly could save up to \$3,400 a year in taxes. The alternative also ensures that no additional middle class taxpayers will fall victim to the Alternative Minimum Tax.
- **Help for America's Small Businesses:** House Republicans propose to allow small businesses to take a tax deduction equal to 20 percent of their income. This will immediately encourage investment and free up funds for small businesses to hire new employees and create jobs.
- **Assistance for the Unemployed:** House Republicans propose to make unemployment benefits tax free so that those looking for work can focus on providing for their families.
- **Extension of Unemployment Insurance Benefits:** The alternative extends through December 2009 the current temporary federal extended unemployment benefits program to help more long-term unemployed workers.
- **Stabilizing Home Values:** In order to encourage responsible buyers to enter the market and stabilize prices, House Republicans propose a home-buyers credit of \$7,500 for those buyers who make a minimum down-payment of five percent.
- **Expanded Net Operating Losses (NOLs):** The proposal expands the NOL carryback rules, permitting businesses to carry back their NOL deductions for five years, rather than two. This

would provide many previously profitable companies the opportunity to seek immediate refunds of past taxes paid, giving them cash infusions that would help them weather the current economic storm.

- **Bonus Depreciation / Small Business Expensing:** The House GOP alternative extends the favorable depreciation rules contained in the 2008 economic stimulus package, providing businesses, both large and small, enhanced incentives to make critical investments that they might otherwise forgo during these challenging economic times.
- **Repeal of Three Percent Withholding Requirement for Government Contractors:** The measure repeals the rule requiring three percent withholding on certain payments made to taxpayers under contracts with federal, state, and local governments.
- **Health Insurance Deduction:** The alternative levels the playing field regarding the tax treatment of health insurance by providing a new above-the-line deduction for those Americans who do not receive tax-preferred, employer-sponsored health coverage. This provision would provide a critical tax benefit to Americans who must purchase insurance on their own, regardless of whether they itemize their taxes or take the standard deduction.
- **No Tax Increases to Pay for Spending:** House Republicans are concerned that the level of spending in the congressional Democrats' trillion dollar package could result in near-term tax increases on American families and are insisting that any economic package include a provision precluding any tax increases now or in the future to pay for this new spending.

At the outset of this process, President Obama expressed his desire to craft a bill that's about creating new jobs; unfortunately, Democratic leaders on Capitol Hill have turned his vision upside down, cobbling together the trillion dollar spending plan that will hit the House floor today. The House GOP's Economic Recovery alternative is an attempt to refocus this process on job creation to help pull our economy out of recession. Will House Democrats join Republicans in letting middle-class families, small businesses, job-seekers, and home-buyers keep more of what they earn, or will they yield to the same old "borrow and spend" philosophy that will further bury our children and grandchildren under mountains of debt?